

Payroll Pointers for Filers of Forms W-2/W-3

Social Security Administration

W-2 Reporting Methods

- **◆ Electronic**
 - -Your Best Choice!
- **♦ Magnetic Media**
- **♦** Paper Copy A



Electronic W2 Filing

- **♦** Business Services Online
 - www.ssa.gov/employer



- Register for PIN and Password
- **♦ Upload W2 files**
- **♦ W-2 Online**
 - Complete Up to 20 W2s on Web Page
 - Print Employee Copies

Electronic Filing (cont.)

- **Extended Filing Deadline-Mar. 31**
 - Helps Avoid W2Cs
- **♦** Automatic Electronic Receipt



- **♦ Compressed Files Accepted**
- **♦ Check Status of Submissions**
 - Displays Some Errors and Notices
- **◆ Test Transmissions (Connectivity, Only)**
- **♦ Fully Electronic-No Paperwork**

Magnetic Media

- ◆ 3 1/2" Diskette
 - MS/DOS (or Compatible) Operating System
- **♦** Magnetic Tape: 1/2"
 - 9 Track Reel-to-Reel
 - IBM 3480/3490 Cartridges

W2 File Format

- **♦** "Magnetic Media Reporting and Electronic Filing" (MMREF-1)
- **◆Electronic or Magnetic Media**
- **◆Incorporated Into Most Payroll Software**
- **♦** Specifications at www.ssa.gov/employer

W2Cs

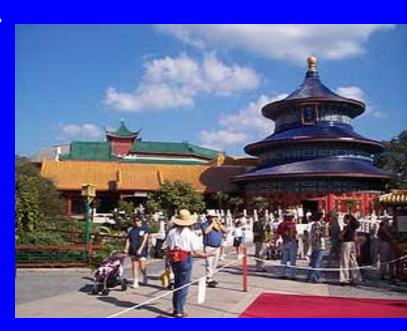
- ◆If 250 or more W-2Cs during the calendar year, then must file on disk or electronically
- ◆ What form to use:
 - December 2002
 - » IRS Publication 1223 for Substitute Specification
 - » Must use this version beginning 7/1/2003
 - » File electronically MMREF-2

Test Software for W2 File

- **♦**AccuWage
- **◆ Checks MMREF-1 Format**
- ◆Free Download at: www.ssa.gov/employer
- **◆Tests for Over 235 Edits**
- **♦**AccuW2C
 - Tests W-2C Files (MMREF-2)

Foreign Workers

- ◆ Verification with INS for foreign workers before SSN issued
 - Immediate verification
 - Delayed verification
- ◆ What to do if no SSN
- ♦ How to file report without an SSN



Paper W2 Copy A

- **♦ If You Can't File Electronically...**
- **◆IRS Copy A, Pub. 1141 Compatible, or SSA-Approved Laser Forms**
- **♦** Sent to Wilkes-Barre Data Operations Center via Form W-3 by Feb. 28
- **♦90%** Can be Machine Scanned
- **♦ Remainder Manually Keyed**
 - Expensive and Error Prone

Form W-2 Changes for TY 2003

- **♦**No Changes to W2 Form Size or Boxes
- **♦**Box 12 Code V Mandatory
 - Exercise of Nonstatutory Stock Options
- **◆Revised W2C**
 - Adds State and Local Fields
 - -Dec., 2002 Version

Common W-2 Reporting Errors

- **◆Electronic or Magnetic Media**
 - Money Fields Out of Balance
 - Wrong Tax Year
 - Wrong Data (e.g., Partial/Prior Year)
- **♦**Paper
 - Print Too Small/ Too Light
 - Wrong Size Form/ Cut Forms
- **♦**Both
 - Name/SSN Mismatches (* Use EVS)
 - Wrong EIN

Name / SSN Mismatches

- **♦ W2 Name and SSN Need to Match SSA Records**
- **♦**No Wage Credit If Data Mismatches
- **♦95% of W2s Have Valid Information**
- **◆ Unable to Match Several Million W2s**
- **♦**Suspense File
- **◆Notices to Employer and Employee**

Prevent Mismatches

- **◆**Ask to See SSN Card at Hire
- **◆Record Name and SSN as Shown on SSN Card**
 - OK to Use Middle Initial Only
 - Use Care With Compound Names
- **♦OK to Copy SSN Card for Payroll**
- **◆Use EVS!**

Employee Verification Service

- **♦ Verifies Employee Supplied Data**
- ♦ Name, SSN, DOB, Gender
- **◆ Telephone-800 772-6270 (5)**
- **♦**Local SSA office (50)
- **◆**Paper List (300), Tape or Disk (any size)
 - Registration Required
- **◆**Details at www.ssa.gov/employer

Reconciliation

- **◆** Compares Totals from W-2s with 941/943
 - Income Tax Withheld
 - Social Security Wages
 - Social Security Tips
 - Medicare Wages and Tips
 - Advance EIC Payments

Reconciliation Notices

- **♦ W-2s Less Than 941s: SSA Sends Notice**
- **♦ W-2s More Than 941s: IRS Sends Notice**
- **SSA Notices Mailed Nov-Feb for Prior TY**
- **◆ Check Actual Data Sent to SSA & IRS**
- **◆ Reply to Avoid IRS Penalty**
- **♦ Call If Help Needed**

Need Help?

- **♦ www.ssa.gov/employer**
 - -"How to Reach Us"
- **♦ National Employer Information Line**
 - -800772-6270
- **◆ VISIT OUR BOOTH TODAY!**